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**Testimony on Local Preemption of Food and Beverage Taxes – House Bill 4999
House Michigan Competitiveness Committee
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My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for small businesses owners since 1943 with more than 10,000 members in Michigan.

We are here before the House Committee on Michigan Competitiveness to support legislation that would prohibit local units of government from imposing sales taxes on food and beverage products. Cities and counties around the country have been enacting so called “pop” or “soda” taxes on beverages that they deem to be “unhealthy”, however, the new tax is almost always applied to hundreds of food and beverage items beyond soft drinks and creates a regulatory nightmare for small business. The California cities of San Francisco, Oakland, and Albany, as well as Boulder, Colorado, Seattle, Washington, Philadelphia, and Cook County, Illinois have all imposed these taxes and it is only a matter of time before local governments in Michigan begin developing similar tax proposals.

While local governments and advocates of these taxes want everyone to believe that they are acting in the interest of public health and safety, the real motivation is to raise revenue to fund more local government growth and bureaucracy and to bail out local budget deficits from years of over-spending. In the case of Cook County, they have not been shy about admitting that the revenue would help offset the burden of unfunded pension liabilities for local government employees.

Furthermore, this is but another example of how local governments are intent on embracing the failed policies of confiscatory taxation and burdensome regulations that undermine the hard work done by Michigan lawmakers and the Governor to bring jobs and opportunity back to our state.

Let me conclude by again emphasizing our support for House Bill 4999 and we thank you for your support of Michigan’s small business owners.